



National Cattlemen's Beef Association

In this Issue

[NCBA Opposes Legislation to Mandate On-Farm Production Practices](#)

[CME Group MF Global Update: Advocating on Behalf of Customers](#)

[Agricultural Organizations Encourage More Consistent Transportation Rules, Regulations](#)

[NCBA Urges US Government to Work with Taiwan to Resolve Trade Issues](#)

[Legislative Watch](#)

[New on the Web](#)

[2012 NCBA Policy Priorities Taking Shape](#)

[Cattle Fax Update](#)

[Cattlemen to Cattlemen](#)

[Your NCBA](#)

Contacts:

Mike Deering,
mdeering@beef.org

Mary Geiger,
mgeiger@beef.org

202-347-0228

Beltway Beef is a weekly report from Washington, D.C., giving an up-to-date summary of top policy initiatives concerning the cattle industry; direct from the National Cattlemen's Beef Association (NCBA). Please feel free to reprint in full or in part. If you would like to include NCBA's logo, contact us at 303-694-0305.



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Beltway Beef

Cattlemen's Capitol Concerns

NCBA Opposes Legislation to Mandate On-Farm Production Practices — Legislation Could Create a One-Size-Fits-All Model for Animal Agriculture

The National Cattlemen's Beef Association (NCBA) criticized legislation (H.R. 3798) introduced by Rep. Kurt Schrader (D-Ore.) that would codify an agreement between the Humane Society of the United States (HSUS) and the United Egg Producers (UEP) establishing federally mandated egg production practices. NCBA President Bill Donald said the legislation would set a "dangerous" precedent for allowing the federal government to dictate on-farm production practices and disregards decades of work the cattle industry has undertaken to develop science-based, voluntary animal care programs.

"America's farm and ranch families are committed to raising healthy animals, which are the foundation of a safe, wholesome food supply," Donald said. "Decades ago, our farmers and ranchers voluntarily took it upon

themselves to work with veterinarians, animal health specialists, university researchers and with each other to develop animal care practices and guidelines. That is why the programs have been so successful, certainly not because politicians in Washington, D.C., mandated them."

Under the agreement between HSUS and UEP, HSUS agreed to stop pursuing state ballot initiatives regarding egg production practices if UEP would work with HSUS to pursue federal legislation mandating increased cage sizes among other things. Donald said while the legislation, which was referred to the House Committee on Agriculture, currently only applies to the egg industry, it creates a slippery slope to allow the federal government to dictate how farmers and ranchers raise all animals.

"This legislation, while currently only

affecting egg producers, could set a dangerous precedent to allow government bureaucrats in Washington to mandate how farmers and ranchers across the nation raise and care for their animals," he said. "This ill-conceived legislation could set the model for a one-size-fits-all approach to cattle production. Unfortunately, one-size-fits all doesn't work with cattle producers, who are in diverse settings in all 50 states. This legislation won't improve animal health or care and will result in further costly and burdensome regulations being placed on America's food producers. Instead of mandating production practices and increasing regulatory burdens on America's farmers and ranchers, we urge members of Congress to reject this legislation and to work with food producers to empower and enable them to continue raising the healthiest, safest and most wholesome food supply in the world."

CME Group MF Global Update: Advocating on Behalf of Customers

By Bryan Durkin, CME GROUP Chief operating officer and managing director, products and services

For many in the agricultural community, the failure of MF Global shook the very foundation on which the hedging industry is built. Since the beginning of this unprecedented ordeal, the CME Group has advocated on behalf of our members and customers, and we will continue doing everything in our power to ensure that another failure at the firm level does not happen again. Most important to us is that all customers affected see

their property returned — as much as possible, as soon as possible.

Our work with the Bankruptcy Trustee has already helped to accelerate that process. We successfully transferred 15,000 customer accounts and \$1.45 billion in the week following the MF Global bankruptcy. We also provided a guarantee of \$550 million to the trustee to speed the return of funds, and pledged an additional \$50 million from CME Trust. After more than two months into the bankruptcy proceedings, customers have seen 72 percent of their funds returned. We continue to provide updates to this

process, and all information related to this situation can be found at www.cmegroup.com/mfglobal.

The past year brought a great deal of change, positive and negative, and the year ahead will be challenging. But for more than 150 years, CME Group has succeeded in changing environments by finding better solutions for our customers and embracing the opportunities those changes present. We will continue to do that, on your behalf, in the weeks and months ahead.

Agricultural Organizations Encourage More Consistent Transportation Rules, Regulations

The National Cattlemen's Beef Association (NCBA) was joined by ten organizations representing American agriculture to urge the House Committee on Transportation and Infrastructure to increase clarity, consistency and efficiency of transportation rules and regulations as the committee prepares to write a new Highway Bill. The organizations sent three letters to Chairman John Mica (R-Fla.) and Ranking Member Nick Rahall (D-W.V.) urging the committee to give states the option to increase truck weights with the an additional axle; to create more consistent transportation rules across state lines; to provide exemptions for agriculture from certain federal requirements; and to oppose the inclusion of language to ban the use of double-deck trailers to transport horses.

Kent Bacus, NCBA associate director of legislative affairs, said antiquated transportation rules have hindered the ability of cattlemen to transport cattle and have impeded the flow of commerce.

"Cattlemen need the ability to move their cattle. Unfortunately, there are rules on the books right now that have made it difficult for them to do so," Bacus said. "We are hopeful as Congress works on a new Highway Bill they will keep America's food and fiber producers in mind."

[Click here](#) to read the letters.

NCBA Urges US Government to Work with Taiwan to Resolve Trade Issues

The National Cattlemen's Beef Association (NCBA) joined forces with the American Meat Institute, the National Meat Association, the National Pork Producers Council and the U.S. Meat Export Federation to urge U.S. Secretary of Agriculture Tom Vilsack and U.S. Trade Representative Ron Kirk to make it a priority to resolve issues affecting exports of U.S. beef and pork to Taiwan.

According to the letter, non-science based standards put in place by the Government of Taiwan have been detrimental to the U.S. beef and pork industries. Specifically, the letter said Taiwan has pursued a policy of inspecting U.S. beef and pork imports for beta agonists like Ractopamine, which are commonly used in safe and controlled manners in the U.S. and other countries. It said these unscientific import barriers have resulted in 16 percent declines of exports of U.S. beef and pork to Taiwan in 2011 compared to 2010 export values. The letter also said despite a 2007 commitment from Taiwan to the World Trade Organization to establishing a maximum residue level for Ractopamine in beef and pork, Taiwan has yet to establish science-based standards for imports of beef and pork.

The groups urged Secretary Vilsack and Ambassador Kirk to make it a priority to restore full access for U.S. beef and pork to Taiwan in 2012.

[Click here](#) to read the letter.

Legislative Watch

S. 1528 - Farm Dust Regulation Prevention Act

To establish a temporary prohibition against revising any national ambient air quality standard applicable to coarse particulate matter (dust), to limit Federal regulation of nuisance dust in areas in which such dust is regulated under State, tribal, or local law.

The House version, H.R. 1633, passed on Thurs., Dec. 8, 2011. NCBA urges a **YES** vote S. 1528.

Key Sponsor: Sen. Mike Johanns (R-Neb.)

S. 1061 / H.R. 1996 – Government Litigation Savings Act

Will amend the Equal Access to Justice Act (EAJA) to prohibit organizations with a net worth exceeding \$7 million from filing for EAJA funds; require EAJA filers to show a "direct and personal monetary interest" in the action to be eligible for payments; and cap the attorney fees. NCBA urges a **YES** vote on S. 1061 / H.R. 1996.

Key Sponsors: Rep. Cynthia Lummis (R-Wyo.), Sen. John Barrasso (R-Wyo.)

H.R. 3798 – Egg Inspection Act Amendments of 2012

To amend the Egg Inspection Act to mandate on farm production practices.

NCBA urges a **NO** vote on H.R. 3798

Key Sponsor: Rep. Kurt Schrader (D-Ore.)

H.R. 2414 – Farmers' Freedom Act of 2011

Exempts certain farm vehicles from certain federal requirements (for a commercial driver's license, drug testing, medical certificates and hours of service). Prohibits federal transportation funding to a state from being terminated, limited, or otherwise interfered with as a result of the state's exempting a covered farm vehicle from any state requirements governing the operation of that vehicle.

Key Sponsor: Rep. James Lankford (R-Okla.). NCBA urges a **YES** vote on H.R. 2414.

For a full list of legislation NCBA is monitoring [click here](#).

New on the Web

Check out the [Beltway Beef blog](#) for inside perspectives on issues affecting U.S. cattlemen and women. You can sign up on the blog to receive an email when new information is posted. You can also follow us on [Twitter](#), be a fan of us on [Facebook](#), check out our latest photos

on [Flickr](#) or watch video updates on our [YouTube](#) page. For audio, visit and subscribe to the Beltway Beef [Podcast](#). You can also subscribe to our [podcast](#) on iTunes.

2012 NCBA Policy Priorities Taking Shape

By Colin Woodall, NCBA Vice President of Government Affairs



Next week, thousands of cattlemen and women who are members of the National Cattlemen's Beef Association (NCBA) will make their way to Nashville, Tenn., for the 2012 Cattle Industry Convention and NCBA Trade Show. NCBA members will set policy priorities for 2012 and establish new policy positions for the largest and oldest national cattle industry organization. This is where NCBA's Washington, D.C., staff will receive their marching orders for what will undoubtedly be a very interesting year inside the Beltway. Based on where we left off in 2011, I fully expect that NCBA will hone in on five primary priorities for the new year.

The top priority will most likely be an issue that impacts every single cattle producer and small business owner in the country. The estate tax, or more appropriately labeled the death tax, will be an issue we will tackle with every weapon in our arsenal. As a result of a last-minute tax package passed in December 2010, estates worth more than \$5 million per individual or \$10 million per couple are taxed at a 35 percent rate. This temporary relief from an outdated tax will end Dec. 31, 2012. NCBA supports a permanent repeal of this nonsensical tax and that's why we fully support the Death Tax Permanency Repeal Act, introduced by Rep. Kevin Brady (R-Texas). If a full and permanent repeal is not possible, NCBA supports making the 2010 package permanent. Our cattlemen and women deserve certainty, which can only be achieved through permanency.

Another issue we will be focusing a great deal of effort on will be the 2012 Farm Bill. Fortunately, our requests are relatively simple and should be welcomed by both sides of the aisle. We simply ask that Congress save taxpayer money by eliminating the livestock title. Cattlemen are independent people who do not need big government setting up shop on their farms and ranches. We can attribute the job-killing rule on livestock marketing proposed by the U.S. Department of Agriculture's Grain Inspection, Packers and Stockyard's Administration (GIPSA) and mandatory Country of Origin Labeling to the livestock title that became reality during the 2008 Farm Bill deliberations.

Transportation is an issue we will continue working on in 2012. NCBA supports making transportation policies more efficient for cattle producers by supporting legislation to create uniform transportation laws across all states and helping states adopt transportation laws that increase allowable weight, length and trailer requirements. The bottom-line is uniformity across state lines. As we did in 2011, we will also continue working to make sure that there is not federal requirement of commercial driver's licenses for farmers and ranchers.

The Equal Access to Justice Act (EAJA) was designed to level the playing field between small businesses and individual citizens and the federal government. EAJA allows plaintiffs to recover legal costs from the federal government when they prevail in a case against the government. Although EAJA was intended to protect citizens' rights, it has been hijacked by radical groups targeting ranchers by challenging in court their rights to natural resource uses. Cattlemen support the Government Litigation Savings Act (GSLA) to bring transparency and accountability to EAJA. It would prohibit organizations with a net worth exceeding \$7 million from filing for EAJA funds, require that EAJA filers show a "direct and personal monetary interest" in the action to be eligible for payments and cap the attorney fees activists claim to be owed. The GSLA passed out of the House Judiciary Committee late in 2011 and we will urge the full House to consider this important legislation.

The next priority will be the issue of farm dust regulation. The Farm Dust Regulation Prevention Act of 2011, which provides permanent relief and regulatory certainty, passed in the U.S. House a couple months ago. We will be marching the halls of Congress urging the U.S. Senate to pass this legislation. It will be an uphill battle but one that is worth the fight.

Beyond policy priorities, this will be the year where NCBA's Political Action Committee (NCBA-PAC) will be more important than ever before. In the last year, the NCBA-PAC has gained momentum becoming one of the leading animal agricultural PACs in the country but we must continue to acquire the funds necessary to ensure a political climate in Washington, D.C., that understand the importance of the U.S. cattle industry to the U.S. economy and global food security. NCBA-PAC needs support from all NCBA members to change the direction of the U.S. Senate that has consistently resisted legislation to reduce regulatory burdens on cattlemen and women.

Another priority will be sustainability. NCBA and the Beef Checkoff Program are focusing on educating consumers about the important role cattlemen play in sustaining the land and its resources for future generations. Together, with our members, we will assume a leadership role in defining what sustainability means and how cattlemen can continue the journey of producing the most sustainable beef possible. We will also devote resources to helping producers understand the latest in trends and technologies that will assist in making their operation's more sustainable.

We certainly have our work cut out for us in the next 12 months but with our powerful grassroots membership engaging their members of Congress and capitalizing on educational opportunities afforded to them through their affiliation with NCBA, we will build on the successes of 2011 and 2012 will go down as another good year to be a cowboy. For more information about becoming involved in NCBA or donating to the NCBA-PAC, just give us a call at 202-347-0228.

CattleFax Update

On Wed., Jan. 25, agricultural, energy and financial markets all closed at mostly higher prices. Live cattle futures traded steady to higher with most contracts making or testing highs. Feeder cattle futures closed mostly \$0.25/cwt. higher. The CME reported a new all-time high in the Feeder Index at \$152.04/cwt., up \$0.47. Boxed beef prices advanced more than \$0.50 cents on moderate sales volumes. The Choice- Select spread was mostly steady at \$5.44/cwt. Packer margins remain poor, and consequently, reduced fed slaughter is estimated to push boxed beef prices higher. Daily reported slaughter stands at about 369,000 head for the first three days this week. This is down 18,000 head from last week and 13,000 head from a year ago. Grains traded higher for the most part. Chicago wheat futures added the most, up about \$0.07/bu.

For recent market news and analysis, visit www.CattleFax.com.

Don't Miss Out on NCBA's Cattlemen to Cattlemen!

Don't miss a special live edition of NCBA's *Cattlemen to Cattlemen* Jan. 31. We'll be at the 2012 Cattle Industry Convention and NCBA Trade Show in Nashville, Tenn., with special guests and convention news that you won't want to miss.

NCBA's *Cattlemen to Cattlemen* debuts each Tuesday at 8:30 p.m. The show also airs Wednesday at 10:30 a.m. and on Saturday at 9 a.m. (all times are Eastern). Don't forget that you can also [watch NCBA's Cattlemen to Cattlemen online](#) anytime by visiting our website. Follow us on [Twitter](#) and become a fan on [Facebook](#).



Your NCBA

Tune in to Nashville: Registration is open onsite in Nashville! It's not too late to attend. Join us for this important meeting February 1-4 at the Gaylord Opryland Hotel in Nashville, Tenn. For more information visit www.beefusa.org or call 303-694-0305. Can't make it to Nashville? Tune into NCBA's *Cattlemen to Cattlemen* live from the Trade Show floor Wed., Feb. 1, from 6 p.m.—8 p.m. Central Standard Time on RFD-TV.

2012 Cattle Industry Convention and NCBA Trade Show Goes Mobile: For the first time ever, there is a mobile app for the Cattle Industry Convention and NCBA Trade Show. This app provides a complete convention agenda, news releases, a convention map and so much more. The app is compatible with Android, iPhone and BlackBerry devices. Please [click here](#) to download. Additionally, the convention hash tag on Twitter is [#CIC12](#). Photos will be available on [Flickr](#).

Deadline to File MF Global Claim Approaching: MF Global customers need to submit claims against the bankrupt brokerage firm before a Jan. 31 deadline. Forms and filing instructions are available at the trustee's website at www.mfglobaltrustee.com and have been mailed to all former customers. Former customers of MF Global Inc. who have questions about the claims process are encouraged to seek information at mfglobaltrustee.com, e-mail the Trustee's staff at MFGITrustee@hugheshubbard.com, or call the Trustee's call center at 1-888-236-0808. [Click here](#) for further instructions to file a claim.



National Cattlemen's Beef Association

The National Cattlemen's Beef Association (NCBA) has represented America's cattle producers since 1898, preserving the heritage and strength of the industry through education and public policy. As the largest association of cattle producers, NCBA works to create new markets and increase demand for beef. Efforts are made possible through membership contributions. To join, contact NCBA at 1-866-BEEF-USA or membership@beef.org.